

IN THE CIRCUIT COURT OF PHILLIPS COUNTY, ARKANSAS  
CIVIL DIVISION

In Re: The Cedar Chemical Corporation  
Property Ownership Public Trust

No. CV-2006-330

ORDER ESTABLISHING A PUBLIC TRUST

Comes now to be heard this 27<sup>th</sup> day of September, 2006, the above styled Petition, and the Petitioner, State of Arkansas, Department of Environmental Quality (ADEQ), appearing by and through its attorney, William G. Snowden, and from the record herein, the argument of counsel and other matters before the court, the court doth find:

1. Petitioner is a department of the State of Arkansas and charged by law with the enforcement of the environmental laws of this State.

2. In the natural course of its affairs, Petitioner was vested with control of the Cedar Chemical Corporation plant site located in Phillips County, Arkansas, by an Order of the United States Bankruptcy Court for the Southern District of New York in case number 02-11039, a copy of which is attached to the Petition as Exhibit "A".

**FILED**  
At 3:10 O'Clock PM  
SEP 27 2006  
WANDA W. MCINTOSH,  
PHILLIPS COUNTY CIRCUIT CLERK  
By W D.C.

3. The lands at issue herein are situate in Phillips County, Arkansas, lying at or near Highway 242 South, West Helena, Arkansas and therefore this court has jurisdiction over the subject matter (A.C.A. § 16-13-201(a)) and venue is proper in this court (A.C.A. § 16-60-116(a)).

4. The creation of a public trust is authorized by A.C.A. § 28-72-201, et seq., and is sought in this matter to facilitate the transfer of the plant site property to new ownership while the remediation of the site is underway. Specifically, it is a concern of the State that upon the conclusion of the Cedar bankruptcy the corporate entity will cease to exist. Therefore, the creation of this public trust will permit the transfer of ownership while the corporate entity is viable.

5. The beneficiary of this public trust will be the State of Arkansas, Department of Environmental Quality (ADEQ), to the extent that it seeks to recoup its expenses for the operation of the plant since the date of the bankruptcy court order and will continue to accrue up to and including the date of the sale to a purchaser at some time in the future.

6. Should the State recoup its expenses from another source prior to the sale, the Trustee should be directed and authorized to seek the fair market value for the sale of the site or other such value as may be determined to be reasonable by the beneficiary and the court with the proceeds paid into the Remedial Action Trust Fund.

7. Should a prospective purchaser appear, the purchaser shall be subject to the approval, first, of ADEQ, and second, by the court. The property shall not be sold without the express approval of the court and such restrictions on use or other environmental or other restrictive covenants placed in the deed as ADEQ may deem necessary.

8. The Petitioner has proposed that the court appoint Mr. Brad J. Beavers, Attorney at Law, of Forrest City, Arkansas, as Trustee. His acceptance of appointment is attached to the Petition as Exhibit "B". The court finds Petitioner's arguments persuasive and agrees with the selection.

9. That the Trustee should be charged and authorized to administer the site in such a way as to benefit the people of Phillips County and the citizens of the State by securing jobs and gainful employment by selling or leasing the site and by also facilitating the remediation of the site by responsible parties. The Trustee shall collect all rents, lease payments, purchase payments, or any other income from the site and shall furnish to the beneficiary and the court a true accounting of the same on an annual basis. The Trustee shall also perform any other duties as may be necessary to effectuate the purposes of this Trust. Any lease of the site or sale of fixtures or other equipment thereon shall only be upon the express approval of ADEQ.

10. As required by A.C.A. § 28-72-202, the Governor of the State has accepted the beneficiary interest created, or to be created, by this Trust and his acceptance is attached to the Petition as Exhibit "C".

11. That this court should retain continuing jurisdiction of this matter for further actions as may be required.

IT IS, THEREFORE, ORDERED DECREED AND ADJUDGED:

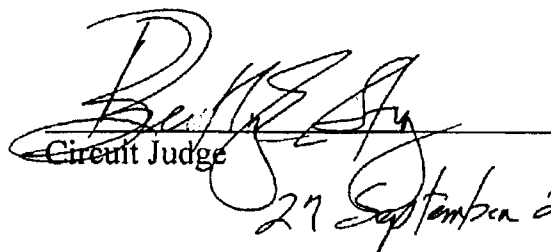
1. That pursuant to the laws of the State of Arkansas, to wit: A.C.A. § 28-72-201 et seq., a public trust, to be known as the Cedar Chemical Corporation Public Ownership Trust (C3PO Trust), shall be, and the same hereby is, created with the State of Arkansas as the named beneficiary;

2. That the court hereby appoints Mr. Brad J. Beavers, Attorney at Law, of Forrest City, Arkansas, as Trustee;

3. That the Trustee shall have those powers and duties enumerated hereinabove and as set forth in the Petition;

4. That the court shall retain continuing jurisdiction of this matter for such further actions as may be required.

GIVEN UNDER MY HAND AS JUDGE, this day and date first hereinabove mentioned and set forth.

  
Circuit Judge  
27 September 2006